

Message Text

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44

ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

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FM AMEMBASSY VALLETTA
TO SECSTATE WASHDC 4296

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E. O. 11652: N/A

TAGS: EGEN, MT

SUBJECT: BUSINESSMEN WANT REPRESENTATION

1. SPEAKING TO MEMBERS AND GUESTS WHO INCLUDED MINISTER
TRADE XUEREB, MINISTER FINANCE ABELA, MINISTER LABOR
CASSAR AND PARLIAMENTARY SECRETARY HOLLAND AT A LUNCHEON
OF CHAMBER OF COMMERCE, PRES. PHILIP TOLEDO SAID GOM
OFTEN OUT OF TOUCH WITH BUSINESS COMMUNITY AND
CONTRIBUTION WHICH BUSINESS COULD GIVE TO POLICY
CONSIDERATIONS OVERLOOKED. TOLEDO ATTRIBUTED THIS
SITUATION TO NON REPRESENTATION OF ORGANIZED BUSINESS
" ON OUR BOARD OF STATE." HE SAID CONDITIONS MUST BE
CREATED WHICH WOULD ALLOW PRIVATE ENTERPRISE TO FLOURISH
WITHIN ITS OWN SPHERE AND PROVIDE FOR PARTICIPATION OF
BUSINESS IN WORK AND DEVELOPMENT OF NATIONAL CONSTRUCTION.
TOLEDO ADDED IMPORTANT BREAKTHROUGH RECENTLY ACHIEVED
IN THIS REGARD BY OBTAINING CHAMBER OF COMMERCE RE-
PRESENTATION ON GOVT TOURIST BOARD AND BY ESTABLISHING
PRINCIPLE OF DIALOGUE WITH MINISTRY OF TRADE ON PRICE
REGULATION MATTERS.

2. PROBLEMS RESULTING FROM LACK OF COMMUNICATION
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BETWEEN PRIVATE SECTOR AND GOVERNMENT AS WELL AS THE GENERAL WORKERS UNION ILLUSTRATED BY RECENT INDUSTRIAL DISPUTE OF TWO WEEKS DURATION INVOLVING FIVE BOTTLING COMPANIES AND AN ESTIMATED ONE THOUSAND WORKERS. EMPLOYEES DEMANDED ONE MALTA POUND PER WEEK COST OF LIVING INCREASE IN KEEPING WITH THAT GRANTED TO GOVERNMENT WORKERS, WHILE BOTTLERS INSISTED ON INCREASE IN AUTHORIZED SELLING PRICE OF BEVERAGES OF FOUR MILS PER BOTTLE.

3. GOM ALLOWED ONLY 2 MILS PER BOTTLE DESPITE FACT PRODUCTION COSTS HAVE INCREASED TWO PERCENT ANNUALLY SINCE INTRODUCTION OF PRICE FREEZE IN 1967. (SUGGAR, FOR EXAMPLE, HAS RISEN FROM 76 TO 120 MALTA POUNDS PER TON.) TIMES OF MALTA IN MAY 8 EDITORIAL URGED GOM BEFORE GRANTING FUTURE PRICE INCREASES TO EXAMINE CLAIMS IN LIGHT SUCH " HARD ECONOMIC FACTS."

4. COMMENT: THE PRIVATE SECTOR CONTINUES ALSO TO BE VEXED BY FACT MLP GOVT HAS NOT INCLUDED IT IN REPRESENTATION ON PRESTIGIOUS CONSULTATIVE BODIES SUCH AS THE PM' S INDUSTRIALIZATION COUNCIL. TOLEDO AND A NUMBER OF LARGE COMMERCIAL REPRESENTATIVES IN MALTA ARE ALSO CONCERNED GOVT IS TENDING TO CIRCUMVENT THEM IN MAKING GOVT REQUISITIONS AND PURCHASES BY RELYING ON AGENTS OF GOM ABROAD IN PRINCIPAL COMMERCIAL CENTERS SUCH AS LONDON, NEW YORK AND MILAN. THERE IS SOME TALK THIS IS VEHICLE MLP IS ESTABLISHING FOR REWARDING PARTY SUPPORTERS SINCE THERE ARE PRESUMED CONNECTIONS BETWEEN THE LATTER AND THE FOREIGN COMMERCIAL AGENTS WHICH THE GOM IS RELYING ON. GETZ

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